

AMENDED IN SENATE FEBRUARY 22, 2007

SENATE BILL

No. 49

Introduced by Senator Migden

January 3, 2007

An act to add Section 53084.5 to the Government Code, and to add Section 33426.8 to the Health and Safety Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

SB 49, as amended, Migden. Local government: financial assistance: sports franchises.

Existing law prohibits a local agency or redevelopment agency from providing any form of financial assistance to specified business entities when a business entity is relocating from the territorial jurisdiction of one local agency to another within the same market area, as specified.

This bill would prohibit a local agency or redevelopment agency from providing financial assistance to a sports stadium project that involves the relocation of a professional sports franchise from the territorial jurisdiction of one local agency to another within the same market area, as specified. The bill would provide that this prohibition does not apply to local agency *financial* assistance in the construction of public improvements that serve all or a portion of the jurisdiction of the local agency, as specified, and would provide the home local agency, as defined, the right to assert a violation of these provisions as a claim or defense in judicial proceedings.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 53084.5 is added to the Government Code, to read:

53084.5. (a) Notwithstanding any other provision of law, except as provided in subdivision (b), a local agency shall not provide any form of financial assistance to a sports stadium project that involves a professional sports franchise relocating from the territorial jurisdiction of a home local agency to the territorial jurisdiction of another local agency ~~but~~ within the same market area.

(b) This section shall not apply to local agency *financial* assistance in the construction of public improvements that serve all or a portion of the jurisdiction of the local agency, that provide significant community benefits to an area larger than the site of the sports stadium project, and that are not required to be constructed as a condition of developing the sports stadium project. This section shall not prohibit assistance in the construction of public improvements that are being constructed for a development other than the sports stadium project.

(c) *This section shall not apply if the governing legislative body of the home local agency from which the professional sports franchise is relocating adopts a resolution declaring that the community does not object to the relocation.*

~~(e)~~

(d) The home local agency shall have the right to assert a violation of this section as a claim or defense in a judicial proceeding and obtain injunctive, declaratory, or other appropriate relief to enforce this section.

~~(d)~~

(e) As used in this section:

(1) “Financial assistance” includes, but is not limited to, any of the following:

(A) Any bonds or other forms of indebtedness, including, but not limited to, any tax allocation bonds or any other provision of tax increment, whether on a pay-as-you-go basis or otherwise.

(B) Any loans, grants, subsidies, guaranties, or payments for any costs of the sports stadium project or the use of the sports stadium.

1 (C) Any lease or license of real property, or an interest in real
2 property, at less than its fair market value, including, but not limited
3 to, any rent credits or free rent period.

4 (D) Any sale or other conveyance of real property, or an interest
5 in real property, at less than the fair market value.

6 (E) Any tax incentive, including, but not limited to, tax
7 exemptions, credits, rebates, reductions, or moratoria, including
8 any payment based on the amount of taxes generated by the sports
9 stadium project.

10 (F) Any acquisition of real property or any interest in real
11 property to facilitate the assembly of the site for the sports stadium
12 project, including any acquisition, by voluntary sale or otherwise,
13 with public funds or with funds provided by the professional sports
14 franchise or any of its development partners.

15 (G) Any payment for, or forgiveness of, or reduction in fees.

16 (H) Any approval to provide for tax-exempt financing of any
17 part of the sports stadium project, including, but not limited to,
18 any bonds created by or recognized under any provision of the
19 Internal Revenue Code that allow private entities to use the
20 proceeds of tax-exempt bonds, such as industrial development
21 bonds or any other economic development conduit revenue bonds.

22 (I) Any other form of direct or indirect financial assistance to
23 the professional sports franchise, any of its developer partners, or
24 any of their affiliates, contractors, or agents in connection with the
25 sports stadium project.

26 (2) “Home local agency” means the local agency that has
27 jurisdiction over territory in which there is a sports stadium that
28 the professional sports franchise has played its home games in for
29 more than ~~30~~ 25 years and where the professional sports franchise
30 has incorporated the name of the home local agency in the name
31 by which the franchise is commonly known.

32 (3) “Local agency” means a chartered or general law city, a
33 chartered or general law county, or a city and county. “Local
34 agency” does not include a redevelopment agency that is subject
35 to Section 33426.8 of the Health and Safety Code.

36 (4) “Market area” means either (i) a geographic area that is
37 recognized by the National Football League as the territory for a
38 professional sports franchise or (ii) any other larger geographic
39 area that is described in publications of bond rating agencies or
40 independent and reputable sports market research organizations

1 as the relevant market for the professional sports franchise. A
2 “market area” shall not extend further than ~~100~~ 75 miles, as
3 measured by the most reasonable route on roads between two
4 points, starting from the sports stadium from which the professional
5 sports franchise is relocating and ending at the facility outside the
6 home local agency to which the professional sports franchise is
7 relocating.

8 (5) “Professional sports franchise” means a franchise or other
9 entity operated for the exhibition of National Football League
10 games, and any affiliate organized to develop or operate a sports
11 stadium.

12 (6) “Relocating” means the termination of exhibitions of home
13 games by a professional sports franchise in a sports stadium in the
14 territory of the home local agency and the commencement of
15 performances of home games by a professional sports franchise
16 in another sports stadium located outside the territory of the home
17 local agency and developed as part of a sports stadium project.

18 (7) “Sports stadium” means a stadium, arena, pavilion, or other
19 structure or building used for holding professional athletic events.

20 (8) “Sports stadium project” means the proposed construction,
21 improvement, renovation, development, entitlement, site assembly,
22 operation, maintenance, repair, use, management, or financing of
23 a sports stadium or any related uses outside of the home local
24 agency, including, without limitation, any residential, commercial,
25 parking, open space, and other uses developed in connection with
26 the sports stadium regardless of whether these uses are located in
27 the vicinity of the sports stadium, and any infrastructure proposed
28 to be developed in connection with a sports stadium or other related
29 uses, including, without limitation, highways, interchanges, ramps,
30 streets, and other transportation and transit improvements, utilities,
31 parks, recreational facilities, and open space.

32 SEC. 2. Section 33426.8 is added to the Health and Safety
33 Code, to read:

34 33426.8. (a) Notwithstanding any other provision of law,
35 except as provided in subdivision (b), a redevelopment agency
36 shall not provide any form of financial assistance to a sports
37 stadium project that involves a professional sports franchise
38 relocating from the territorial jurisdiction of ~~one~~ *the home* local
39 agency to the territorial jurisdiction of another local agency ~~but~~
40 within the same market area.

1 (b) This section shall not apply if the governing legislative body
2 of the ~~community~~ *home local agency* from which the professional
3 sports franchise is relocating adopts a resolution declaring that the
4 community does not object to the relocation.

5 (c) The home local agency shall have the right to assert a
6 violation of this section as a claim or defense in a judicial
7 proceeding and obtain ~~injunctive, declaratory, or other appropriate~~
8 *injunctive or declaratory* relief to enforce this section.

9 (d) As used in this section:

10 (1) “Community” has the same meaning as specified in Section
11 33002.

12 (2) “Territorial jurisdiction” has the meaning as specified in
13 Section 33120.

14 (3) “Financial assistance” includes, but is not limited to, any of
15 the following:

16 (A) Any bonds or other forms of indebtedness, including, but
17 not limited to, any tax allocation bonds or any other provision of
18 tax increment, whether on a pay-as-you-go basis or otherwise.

19 (B) Any loans, grants, subsidies, guaranties, or payments for
20 any costs of the sports stadium project or the use of the sports
21 stadium.

22 (C) Any lease or license of real property, or an interest in real
23 property, at less than its fair market value, including, but not limited
24 to, any rent credits or free rent period.

25 (D) Any sale or other conveyance of real property, or an interest
26 in real property, at less than the fair market value.

27 (E) Any tax incentive, including, but not limited to, tax
28 exemptions, credits, rebates, reductions, or moratoria, including
29 any payment based on the amount of taxes generated by the sports
30 stadium project.

31 (F) Any acquisition of real property or any interest in real
32 property to facilitate the assembly of the site for the sports stadium
33 project, including any acquisition, by voluntary sale or otherwise,
34 with public funds or with funds provided by the professional sports
35 franchise or any of its development partners.

36 (G) Any payment for, or forgiveness of, or reduction in fees.

37 (H) Any approval to provide for tax-exempt financing of any
38 part of the sports stadium project, including, but not limited to,
39 any bonds created by or recognized under any provision of the
40 Internal Revenue Code that allow private entities to use the

1 proceeds of tax-exempt bonds, such as industrial development
2 bonds or any other economic development conduit revenue bonds.

3 (I) Any other form of direct or indirect financial assistance to
4 the professional sports franchise, any of its developer partners, or
5 any of their affiliates, contractors, or agents in connection with the
6 sports stadium project.

7 (4) “Home local agency” means the local agency that has
8 jurisdiction over territory in which there is a sports stadium that
9 the professional sports franchise has played its home games in for
10 more than ~~30~~ 25 years and where the professional sports franchise
11 has incorporated the name of the home local agency in the name
12 by which the franchise is commonly known.

13 (5) “Local agency” means a chartered or general law city, a
14 chartered or general law county, or a city and county.

15 (6) “Market area” means either (i) a geographic area that is
16 recognized by the National Football League as the territory for a
17 professional sports franchise or (ii) any other larger geographic
18 area that is described in publications of bond rating agencies or
19 independent and reputable sports market research organizations
20 as the relevant market for the professional sports franchise. A
21 “market area” shall not extend further than ~~400~~ 75 miles, as
22 measured by the most reasonable route on roads between two
23 points, starting from the sports stadium from which the professional
24 sports franchise is relocating and ending at the facility outside the
25 home local agency to which the professional sports franchise is
26 relocating.

27 (7) “Professional sports franchise” means a franchise or other
28 entity operated for the exhibition of National Football League
29 games, and any affiliate organized to develop or operate a sports
30 stadium.

31 (8) “Relocating” means the termination of exhibitions of home
32 games by a professional sports franchise in a sports stadium in the
33 territory of the home local agency and the commencement of
34 performances of home games by a professional sports franchise
35 in another sports stadium located outside the territory of the home
36 local agency and developed as part of a sports stadium project.

37 (9) “Sports stadium” means a stadium, arena, pavilion, or other
38 structures or buildings used for holding professional athletic events.

39 (10) “Sports stadium project” means the proposed construction,
40 improvement, renovation, development, entitlement, site assembly,

1 operation, maintenance, repair, use, management, or financing of
2 a sports stadium or any related uses outside of the home local
3 agency, including, without limitation, any residential, commercial,
4 parking, open space, and other uses developed in connection with
5 the sports stadium regardless of whether these uses are located in
6 the vicinity of the sports stadium, and any infrastructure proposed
7 to be developed in connection with a sports stadium or other related
8 uses, including, without limitation, highways, interchanges, ramps,
9 streets, and other transportation and transit improvements, utilities,
10 parks, recreational facilities, and open space.

11 SEC. 3. (a) The Legislature finds and declares that the
12 provision of financial assistance by local agencies and community
13 redevelopment agencies to relocate professional sports franchises
14 from one community to another community results in the loss of
15 public funds available for public purposes, impedes the
16 implementation of sound land use and economic development
17 planning, encourages unfair economic competition among
18 communities, and does not result in public benefits to the people
19 of the state.

20 (b) The Legislature further finds and declares that promoting
21 regional economic stability by limiting financial assistance to
22 facilitate the relocation of professional sports franchises is an issue
23 of statewide concern and not a municipal affair. The Legislature
24 further finds that competition among public agencies to locate a
25 professional sports franchise distorts rational decisionmaking about
26 how to allocate scarce public resources in the best interests of the
27 various regions of the state. Therefore, it is necessary that the
28 provisions of this act apply to all cities, counties, and cities and
29 counties.